

SUBJECT: Discussion with Blank and Heusinger on the Evening
of 3 July 1953

1. Blank and Heusinger had dinner with me on the evening of 3 July. a dinner attended by [] of POB and [] of CCI. After the usual pleasantries and a rather heated discussion on the implications of the disturbances in the Eastern Zone of Germany and on the desirability of Four-Power negotiations on the unification of Germany, we came to the purpose of the evening: the discussion of a future German intelligence service and Blank's objections to ZIPPER. During the entire conversation and the entire evening it was apparent that both Blank and Heusinger work closely together in the greatest of confidence and that Heusinger shared Blank's opinions on the subjects discussed. It is noteworthy that whereas Blank was extremely shy and nervous during the conversation with the Director earlier on 3 July and started being shy and nervous at the beginning of the evening, as the discussion developed he gained self-assurance and by the end of the evening he was self-confident, expressed himself well and was altogether master of the situation. It is also noteworthy that it is [] and my opinion that Blank and Heusinger dealt with us completely honestly on the subject and that good rapport was established. The main conversation was carried by me [] being largely instrumental in creating a favorable atmosphere prior to discussion of the problems.

2. I started the discussion by referring to the Director's conversation earlier on 3 July on the subject of a national intelligence service and how it fitted into the nation as a whole. I again described the separation of procurement from evaluation, the relationship of the Director of CIA to the IAC agencies and his position within the Government. Going further, I also emphasized the importance we attach to the complete separation of an external intelligence agency from an internal security service as well as the importance of an external intelligence service being completely non-political and entirely professional.

3. Both Blank and Heusinger showed great interest in our concept of an intelligence service especially as far as the requirement picture is concerned and especially in the evaluation part of a service. They also asked intelligent questions

about the function of G-2, its limitation to certain types of operations, its dependence for finished product on this Agency as well as the possibility of its procuring raw take in certain cases. After an extensive discussion on organization and the principles involved, I opened the question of a German intelligence service and the great worry to us of Blank's intention of splitting up ZIPPER into different ministries. Blank, by that time complete master of his own thoughts, talked for about fifteen minutes on ZIPPER, his position towards ZIPPER and his ideas as far as the intelligence service is concerned. He started out by stating that he was greatly impressed by my expose of the functions of CIA, its position within the state, its relationship to different intelligence agencies and other departments and the relationship of its chief to the President and other members of the Government. He said that there were a number of ideas in my expose which had escaped him so far and which he thought were definitely adaptable to the German scene. He felt, however, that with the German weakness towards totalitarian solutions many safeguards were necessary in Germany which were not really necessary in the U. S.

4. He then went on to point out his main reservations about ZIPPER. He started out by stating flatly that whereas he might have been represented in the past as opposing ZIPPER, this was not according to facts. His objections to ZIPPER were the following:

a. Blank, himself, is at present entrusted with planning for a future German armed service. Heusinger, who is charged with the detailed planning rather than the policy aspects, must be able to work out organizational charts, equipment tables, and develop basic philosophies of warfare, both defensive and offensive, which, without detailed intelligence on the potential of the enemy, is a planning exercise in a vacuum. Blank has never received from ZIPPER the intelligence necessary to do this job. Because he has not received such intelligence, he was forced to start his own intelligence service, an intelligence service with meager means able to do part of the job but definitely not able to arrive at the same solutions which a large and wealthy organization like ZIPPER can. Blank was very bitter on the subject. He said that the briefings of the Chancellor were usually oral and were one of many other briefings on different subjects which, of course, the Chancellor listened to but would be in no position to pass on to people who needed such briefings and needed them in writing in order to attend to their business. Blank said that as long as ZIPPER was in no position to provide him with intelligence, it would be necessary for him to build up his own intelligence service and it would

also be necessary for his office to operate in a virtual vacuum. He claimed that his security and the security of his office was extremely good and that in over two years of operation there has not been one security incident. He felt that intelligence ought to be passed to him by ZIPPER, such intelligence to be used by his planning staff as considered necessary and such intelligence furthermore being used by him to brief both the Chancellor and the head of the opposition, who, after all, had been completely bipartisan on the question of his office and was entitled to the same briefing the Chancellor received.

b. The second reservation that Blank raised as far as ZIPPER is concerned is ZIPPER's meddling in internal German affairs. He stated that a country like Germany, with its propensities towards subversion by a small organized group of largely disorganized groups, could not afford to create a system of informants and stool pigeons on its own soil. He stated that no chancellor could ever afford to have an intelligence service that was under suspicion of being involved in politics, of gathering information on leading politicians and generally subverting individuals within the state for their own political ends. He stated that ZIPPER was doing this and that until it was established that ZIPPER would not do this, it would not be acceptable to any chancellor or to any part of the government. (Comment: Blank, no doubt, referred to ZIPPER's special contacts and possibly even to ZIPPER's GE show.)

c. Blank next stated that an external intelligence service, as it is in the U.S., must be completely separated from an internal security service and must not be under any suspicion of having an illegal internal security apparatus.

d. Blank next stated that his objections to ZIPPER were also somewhat personal, since ZIPPER, for the last two years, has tried to discredit a loyal member of his own agency and his co-worker by falsified information, by whispering campaigns and by political pressure. He no doubt referred here to Heins, the head of Blank's intelligence service. Blank stated that he will protect the people under him and he will not succumb to pressure of any kind to get rid of people who have been loyal and have done a good job for him.

5. Blank concluded that he had a very high opinion of ZIPPER itself, of the specialists there and he fully realized that Germany could not afford to lose such qualified personnel and

definitely counted heavily on them. He also understood our anxiety to preserve the agency as a whole and saw the logic in this. Nevertheless, the reservations mentioned above were ones which had to be dealt with before any thought could be given to ZIPPER becoming a part of the government. Quite obviously at this point these discussions were somewhat unrealistic, since ZIPPER could not become part of the government before ratification of EBC and the contractals, but that immediately after such ratification quite obviously the budget of the military establishment would provide enough loopholes to permit the financing of such an agency as ZIPPER.

6. The rest of the evening was spent discussing problems concerning rights and customs of soldiers in the U.S. Army to specific questions posed by Blank and Heusinger. The evening ended on a very cordial note by Blank and Heusinger requesting my wife and I to help them buy something for their families prior to leaving for Germany.

7. I will meet with Blank and Heusinger on Saturday, 11 July, socially, at which time I will give them details on the meeting with the Director.

[]